

## CHAPTER 516B

### AUTOMOBILE LIABILITY POLICIES

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

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#### 516B.1 Definitions.

As used in [this chapter](#), unless otherwise required by the context:

1. “*Automobile liability policy*” means an insurance policy issued by an insurance carrier authorized to do business in this state to or for the benefit of the person named in the policy as insured against loss from liability imposed by law for damages arising out of ownership, maintenance, or use of an insured automobile.

2. “*Commissioner*” means the commissioner of insurance.

[86 Acts, ch 1218, §1](#)

#### 516B.2 Reduction in premiums to reflect reductions in losses.

1. The commissioner shall require that insurance companies transacting business in this state reduce the automobile liability insurance premiums charged insureds in this state for liability insurance renewed or issued on or after July 1, 1987. The reduction in insurance premiums, on a statewide basis, shall be at whatever amount the commissioner of insurance deems appropriate as reflecting the reduction in annual losses incurred by the insurance companies with the enactment of [1986 Iowa Acts, ch. 1009](#). The commissioner of insurance may annually make adjustments to the reduction in insurance premiums as the commissioner deems appropriate considering the latest statistics available to the commissioner.

2. In making the determination on the amount of reduction of automobile liability insurance premiums which takes effect July 1, 1987, the commissioner may employ or contract with actuarial consultants as necessary in making the determination. The reasonable fees and expenses of an actuarial consultant employed or contracted by the commissioner for the purpose of determining the amount of the July 1, 1987, reduction shall be assessed against and paid by the affected insurance companies.

[86 Acts, ch 1218, §2; 2014 Acts, ch 1026, §143; 2021 Acts, ch 76, §150](#)

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#### 516B.3 Minor traffic violations not considered in establishing rates.

1. The commissioner shall require that insurance companies transacting business in this state not consider speeding violations occurring on or after July 1, 1986, but before May 12, 1987, which are for speeding violations for ten miles per hour or less over the legal speed limit in speed zones that have a legal speed limit greater than thirty-five miles per hour or speeding violations occurring on or after May 12, 1987, which are for speeding violations for ten miles per hour or less over the legal speed limit in speed zones that have a legal speed limit equal to or greater than thirty-five miles per hour but not greater than fifty-five miles per hour for the purpose of establishing rates for motor vehicle insurance charged by the insurer and shall require that insurance companies not cancel or refuse to renew any such policy for such violations. In any twelve-month period, [this section](#) applies only to the first two such violations which occur.

2. If the rate for motor vehicle insurance is based on an operating record of a period longer than twelve months in length, the twelve-month periods under [subsection 1](#) shall not overlap.

[87 Acts, ch 120, §8; 88 Acts, ch 1158, §78; 88 Acts, ch 1214, §3](#)

Referred to in §507B.4